THE CORN EXCHANGE ASSOCIATION.

REPORT

OF THE

SELECT COMMITTEE

ON THE

FREIGHT BLOCKADE

ON THE

GRAND TRUNK RAILWAY.

MONTREAL:
"WITNESS" PRINTING HOUSE.
1873.

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THE CORN EXCHANGE ASSOCIATION.

On Friday, December 6th, at noon a special meeting of the members of the Corn Exchange Association of this city was held, to consider "the disadvantages under which the produce merchants and others of this city are placed by the defective freight arrangements of the Grand Trunk Railway Company." Mr. Ryan, M. P., President of the Association, occupied the chair. The following members were present: Messrs. J. Akin, J. N. Allen, R. Archer, Chas. N. Armstrong, John Baird, Charles R. Black, Allan Bowman, John Brodie, Jno. Brodie, Robert Brodie, James Brown, J. M. Bucknall, Daniel Butters, Angus Cameron, Henry Cleghorn, A. M. Cowie, Jno. L. Craig, Thomas A. Crane, Gilbert Croft, Geo. Cruikshank, S. Cookson, C. H. Chandler, P. Daigle, James Esdaile, Auguste Girard, Thomas Gordon, Wm. Gosling, C. H. Gould, John Grant, John S. Hall, M. Hannan, Samuel F. Holcomb, Jacob E. Hunsicker, C. Hebert, Edgar Judge, G. M. Kinghorn, Hugh Kirkpatrick, J. R. Kirkwood, Hospice Labelle, Murdoch Laing, Charles Lee, James Lord, Alex. Mitchell, Robert Mitchell, D. McPhie, A. G. McBean, Andrew McCulloch, George MacDougall, James MacDougall, Michael T. McGrail, J. B. McLea, R. P. McLea, D. E. MacLean, Hugh McLennan, John McLennan, Robert McLeod, Ewen McLennan, R. T. Routh, J. Fairbairn, William Nivin, Jno. Ogilvie, Wm. W. Ogilvie, R. S. Oliver, James Parkyn, Robert Peddie, W. Phillips, T. W. Raphael, David Robertson, M. P. Ryan, George J. Pitt, Robert Simms, James C. Sinton, Wm. Howe Smith, C. A. Stark, F. St Charles, Seraphin St. Onge, James Strachan, Louis Tourville, Albert Vass, D. A. P. Watt, Thos. White, Jr., J. M. Young, etc., etc.

The Chairman read the notice convening the meeting, and then reviewed briefly the circumstances which had rendered it necessary.

Mr. James Akin moved, seconded by Mr. John L. Craig:

"That the action of the Grand Trunk authorities in refusing to furnish cars for the accommodation of the trade of this city from about 15th November to present date, has been productive of loss and inconvenience to individual members of this Association, as well as seriously detrimental to the general trade of Montreal."

Mr. Robert Esdaile moved, seconded by Mr. St. Charles:

"That this Association protests most energetically against the princi-

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ple of giving through freight any precedence over local, and of permitting shipments past Montreal from points West, whilst Montreal shippers are left absolutely without facilities for moving their property."

Mr. W. W. Ogilvie moved, seconded by Mr. R. Mitchell:

"That this Association whilst recognizing the trifling relief that has been afforded during the past two days, desires to impress on the Grand Trunk authorities the just claims of the large Eastern trade of Montreal to equal freighting facilities with other points."

Mr. R. S. Oliver moved, seconded by Mr. Cowie:

"That this meeting do now appoint a Committee of five shippers, to enquire into the grievances complained of, said Committee to consist of Messrs. D. Butters, M. P. Ryan, J. T. McMinn, E. Judge, H. Labelle, and to report to an adjourned meeting of the Association."

After debate, each of the foregoing resolutions was unanimously accepted by the meeting.

Referring to the votes and proceedings of this meeting, as reported in the newspapers, Mr. Brydges addressed the following letter to the President, and sent copies of it to the press. A few controversial paragraphs are appended in the form of foot-notes:—

GRAND TRUNK RAILWAY OF CANADA,
Managing Director's Office,
Montreal, 7th Dec., 1873.

MY DEAR SIR,—Since I had the pleasure of seeing yourself and the deputation from the Corn Exchange that waited upon me yesterday, I have read in the papers the proceedings which took place at your meeting, and as this has been published, I think it as well to address you this letter, to which I shall give the same publicity as has already been given to the discussion at the Corn Exchange.

Of course it is well known to you, as I explained the matter yesterday, that the changing of the gauge of the Grand Trunk Railway, which is now in process, to a certain extent interferes with the regular flow of traffic upon the line, and that disturbance must continue until the entire change is completed. Wherever there is a break of gauge there must be more or less delay and difficulty in forwarding freight. This is the experience all over the world, and it has been the experience of this Company

for the number of years that a break of gauge existed at Sarnia, and whilst a break of gauge existed during last year at Stratford. (1)

When the change to Montreal last October was decided upon. I divided the car stock between narrow and broad in a way which would give the best accommodation to the public. I ascertained from careful examination the total number of cars that had been at work for the last three or four years upon the line East of Montreal, and believing that the business would increase this year, I left upon the line East of Montreal about 400 more cars of the broad gauge than had for a series of years been usually working upon that part of the line. To that extent, therefore, the facilities for moving traffic East of Montreal are greater than they have ever been before. The amount of engine power, of course, capable of working East is far beyond the demands of the traffic, as all the engines that were withdrawn from the line West of Montreal are now available for working East. (2)

There is no doubt that the narrowing of the gauge of the line to Montreal has very greatly indeed increased the capacity of the Company from the West, and enabled it to do much more work than ever it did before. A considerable addition has been made this year to the car stock, and of course the change of gauge has enabled the cars of all other companies West of us, to run freely over the line. One result of this has been undoubtedly to bring to Montreal a larger amount of freight than was ever done before, and no complaint is now heard of want of facilities West of here.

But, what this country and the whole trade of Canada is suffering from, is the inability of the present facilities to move away from Portland what we take there. Thus there was at Portland yesterday 413 car-loads of freight waiting for transport by steamers to Liverpool. (3) There were also 115 car-loads of freight waiting for transport by water to Halifax, and 78 car-loads waiting transport to St. John, N. B. This makes a total of 606 car-loads of freight which were lying at Portland yesterday beyond the capacity of the different lines of steamers to take away.

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(1) Montreal shippers did not complain of delay in the forwarding of through-freight, by reason of the break in the gauge or otherwise. Their complaint was, that while they were denied cars in Montreal, freight at Western Stations long behind theirs in precedence, was accommodated with cars, and was hurried forward, through Montreal, to its destination.

(2) Montreal merchants have not yet found these increased facilities available to them.

(3) Or rather " the whole trade of Canada is suffering" because *her steamship tonnage*, has been handed over to the trade of Chicago. If the Allan vessels had been loaded with Canadian freight, our merchants would have had no cause of complaint against the Grand Trunk Railway.

The growth of the business at present from Canada to the Lower Provinces is very marked this year, and has gone very far beyond anything that we have had experience of. The steamers running between Portland, and St. John and Halifax, which usually are adequate to take all the freight that offers, have this season, been entirely unable to do so; and, although I have secured the services of extra steamers and vessels, they have not been able to take away the accumulation which now exists. I am doing the utmost that it is possible to do to get additional steamers, and have every reason to expect that I shall shortly succeed in obtaining what is necessary; but the unfortunate loss, so far as at present ascertained, of the *Pictou*, which vessel was on her way to Portland, has seriously interfered with our arrangements up to the present time. It is also quite clear that one steamer a week from Portland will not suffice for the business that offers in Canada alone for Liverpool (4)—to say nothing of that which seeks an outlet at Portland from the Western States. (5)

The demands upon steamers vary, of course, according to the markets, and it is a fact that when the season opened from Portland this year there was nothing offering in Montreal for the first few steamers. This rendered it necessary to look to the West for freight, and it has come down, owing to the urgency of shippers, in larger quantities than the existing steamers are able to take away.(6) Finding this to be the case, I, a week ago, stopped all further shipments from Chicago, and have confined for several days back the shipments to Liverpool from points in Canada, where freight is offering for transportation.

The capacity of the Grand Trunk Railway at present, even with its break of gauge at Montreal, is sufficient to load two large steamers a week from Portland for Liverpool. It is clear that under such circumstances one steamer a week, especially when the largest vessels are not always employed, is not sufficient to meet either the demands of the public or the capacity of this railway. This is the exact position of matters at the present moment, and although I am doing all I possibly can to increase the number of steamers running from Portland to Liverpool, that is a question which cannot be always accomplished in a hurry, although I hope in a few days we shall be in a position to say that at least two steamers after

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(4) Doubtless! why then fill that one steamer with Western States' freight to the exclusion of Canadian?

(5) Chicago business can scarcely be said to "*seek an outlet* at Portland"; it has, in fact, *to be drawn* there by an offer of low rates of freight.

(6) The want of knowledge of the trade of Montreal and the non-appreciation of its magnitude and value, as evidenced by this paragraph, is not the least singular circumstance in this controversy.

the end of the present year will run regularly between Portland and Liverpool. (7) To a very large extent, therefore, the difficulties in regard to moving freight East of Montreal which now exist, arise not from any want of capacity on the part of the Grand Trunk Railway, but from want of facilities in the shape of vessels and steamers to take away from Portland the freight which we are able to carry there. This applies of course to the Lower Provinces as well as to Liverpool.

It would be well that shippers should bear this fact in mind, because it is utterly useless for us to take down enormous quantities of freight to Portland and let it lie there on wharves, subject to loss and damage, because of the want of vessels to take it to Liverpool or elsewhere.

The quantity of freight both for the Lower Provinces and for Liverpool passing through Montreal, for a time, undoubtedly, interfered with the proper flow of traffic to local stations; but as soon as my attention was called to the matter, I gave directions that a certain number of cars should be at once supplied for that purpose, and, as I explained to you yesterday, in the three days that have elapsed since you called my attention to the matter, upwards of 50 cars have been loaded with this local freight. I have now given directions that at least 25 cars a day should be appropriated for this local business, which, as far as I am able to ascertain, will more than cover, after a few days, the demands that will be made upon us for this class of traffic.

I see that in the discussions which have taken place at the Corn Exchange that some reference has been made to the advantage which it would be to Montreal to get an outlet through Boston for Liverpool shipment. I can only say with reference to that, that early in the season we offered rates for grain, etc., to Boston, but no one would ship that way; and I now publicly announce that this Company is prepared to carry out that arrangement, and to load 50 narrow gauge cars in Montreal to take freight to Boston *via* the Vermont lines; provided they will undertake to find shipping capacity from that place, so as to allow of our cars being promptly unloaded. (8)

In point of fact, I wish it to be clearly understood that this Company is now prepared, even with the disadvantages of its break of gauge, to transport to Portland and Boston, all the freight that there is capacity at either place in the shape of steamers to take away, and if any fault exists

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(7) Canadian merchants will be only too glad to charter these steamers, in advance of arrival, on the terms given to Chicago shippers, to wit—5.22 cents per 100 lbs. per 100 miles to the Railway, and 25s. stg. per ton to the steamer.

(8) Montreal shippers will also gladly accept of this offer on the above terms of freight,—5¼ cents per 100 lbs. per 100 miles, delivered alongside vessel. The price hitherto asked is nearly double this rate, being $68 per car U. S. Currency.

in this respect, it will arise from want of shipping facilities in Boston and Portland, and not from any want of capacity on the part of this Railway to take it to either of those two places. Of course, when, next year as I have no doubt will be the case, the gauge of the entire Railway is made narrow, and we can run freight cars through to Portland without change of gauge, I shall be in a position, so far as the Railway is concerned, to transport to Portland a sufficient quantity of freight to load three steamers a week, provided the steamers are furnished to take it away.

Shippers of freight have now, in fact, in their own hands the getting rid of any freight they may desire to forward, provided they will secure, at the shipping point, the steamship capacity necessary to take it away. (9)

I will undertake, either as regards Portland or Boston, to load now, at either place, a steamer per week, provided the parties who want the property forwarded will get the steamers there to take it away.

As I have already said at the beginning of this letter, I shall send a copy of it to the papers, in order that the statements in it may have the same publicity which has been given to the discussions which took place at the Corn Exchange.

I am, Yours very truly,

C. J. BRYDGES, Managing Director.

M. P. RYAN, Esq., M.P., President Corn Exchange, Montreal.

On Saturday, December 20th, at noon, the adjourned meeting of the Association was held, to receive the Report of the special Committee on "the defective freight arrangements of the Grand Trunk Railway Com-"pany." Mr. Ryan having taken the chair, called upon Mr. Butters to read an abstract of the report prepared by the Committee, after which it was, on motion of Mr. Robert Esdaile, seconded by Mr. Oliver,

Resolved; "That the report be received, printed and circulated un-"der the direction of the Committee, and that the Committee be conti-"nued."

Mr. Butters read as follows:—

The Committee has the honor to submit the following interim Report:

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(9) This offer might legitimately have been made to the merchants of Chicago;—it is altogether out of place here. Canadians are of opinion *that they have already provided steamship capacity*, and their complaint is that, having thus provided it, they have been wrongfully and unfairly deprived of it. It can scarcely be supposed that Canada has subsidized a line of steamers with a view to provide cheap freighting facilities for the people of the Western States.

REPORT.

The annual lock-out by the Grand Trunk Railway, of the merchants of Montreal, from all freighting facilities Eastward, has occurred this year at a somewhat earlier date than usual, and with exceptional severity.

It must be borne in mind that Montreal is not a consuming point for any large quantity of western produce. It is merely a centre of distribution, a point, near to the sea-board, from which such produce may conveniently be shipped to the consumers. The measure of Montreal's requirements for freighting Eastward are therefore in equal ratio with its receipts from the West.

Seeking a winter outlet for this produce, and communication with the sea-board after the close of navigation, it is not too much to say that Montreal built the St. Lawrence and Atlantic Railway to Portland, and also the Champlain Railway to connect with the Boston and New York roads, and so important and necessary did Montreal esteem outlets Eastward, that these railways were built long before the inlet railway from the West was projected. Both these outlets are now in the hands of the Grand Trunk Railway.

Throughout the past season, the movement of Western produce through Montreal has been exceptionally large, and, so far as receipts are concerned, this movement has continued up to the present time. Our merchants, in reliance upon the statements of the railway officials that they had unusual and excessive facilities for moving freight from Montreal eastward, ordered their produce forward, which produce has in part already arrived, and will continue to arrive until the close of the year, greatly to the embarrassment of the receivers.

A few figures will make this more apparent:

WEEKLY RECEIPTS PER GRAND TRUNK RAILWAY

from about the date of the Eastward freight-block, or say for weeks ending

1873	GRAIN.	FLOUR.	CHEESE.	BUTTER.
November 19.....	8850 Bush.	15500 Brls.	6102 Pkgs.	3370 Pkgs.
" 26.....	7300 "	16350 "	3039 "	2760 "
December 3.....	13540 "	14375 "	845 "	682 "
" 10.....	26320 "	21920 "	155 "	2410 "

The weekly shipments in the same time by the Railway are not made public; however, for all practical purposes they were *nil.*

To show the enormous business brought to a stand-still by the freight-block, the following note of exports Eastward to sea is given. For the four weeks ending November 19th, (at which date the blockade was at its height) the quantities were—

Of Grain	1,037,190	Bushels.
Of Flour	69,208	Barrels.
Of Butter	27,600	Packages.
Of Cheese	56,848	Boxes.
Of Beef and Pork	3782	Packages.
Of Lard and Tallow	2328	Barrels.

A note of the constantly increasing stocks will also throw light on this point, and serve to show how severe the pressure has been:—

STOCK OF GRAIN AND FLOUR IN THE PUBLIC WAREHOUSES at the dates given (they are taken twice a month)—

1873	GRAIN.		FLOUR.	
October 15	573,103	Bushels.	41,100	Barrels.
November 1	706,481	"	58,100	"
" 15	921,808	"	55,400	"
December 1	980,912	"	71,300	"
" 15	1,031,359	"	89,961	"

The complaints made to your Committee are referable to these heads:

1. The want of freighting facilities for the ordinary local traffic Eastward, to points which are at all times dependent on the Grand Trunk Railway for supplies.

2. The unfair discrimination against Montreal in the lower rates of freight quoted from Western Canadian stations to terminal points, as Halifax and Liverpool, when compared with those paid by Montreal merchants, who in the first place brought their goods here and afterwards shipped them thence.

3. The still more unfair discrimination against Canada, in the lower rates of freight quoted from the Western States (chiefly from Chicago) to Liverpool, than were given on Canadian shipments to the same destination.

4. That Montreal shippers who were forced into agreeing to pay the relatively excessive rates demanded to terminal points, have nevertheless been for more than a month absolutely locked-out from all freighting facilities, chiefly in favor of cheaply carried produce from the Western States.

It may fairly be assumed that the first complaint, which your Committee know to be well founded, was a result of carelessness or mismanagement.

The second complaint might be illustrated by quoting the freight charges from almost any business station in Ontario; it has been tabulated from one point by a large receiving house as follows:

Rate of freight paid by them from Paris and Brantford to Montreal per car-load of Flour		$70.00
Handling in Montreal say		2.00
Rate of freight demanded from Montreal to Halifax		70.00
Total		$142.00
Rate of through-freight from Paris to Halifax	$120	
Deduct the cost of handling, which on through goods is paid by the Railway, say	2	118.00
Discriminating difference against Montreal		$24.00

per car (or equal to five per cent. on the value of the flour) a sum quite sufficient to turn the trade away from Montreal to more distant points. By such discriminations it is in the power of the Grand Trunk Railway to injure (in some instances, probably, to ruin) the business of any place dependent on it for its freighting facilities. It is proper to note the circumstance that all rail freight going Eastward is now transhipped at Montreal from narrow into broad gauge cars, in the case of through shipments at the expense of the railway, and in the case of shipments double-billed at the expense of the Montreal receiver, who frequently has to pay storage and other charges in addition.

As regards the third complaint, your Committee on enquiry find that in the early part of November the Grand Trunk Railway entered the Chicago freight market in competition with the regular lines, and in course of two or three weeks engaged to carry from fifteen to eighteen thousand tons of provisions and flour, a large share of it at 90 cents, and a lesser share at 100 cents per 100 lbs. through to Liverpool, the rates by the regular lines *via* New York and Boston being at the same time for the same class of freight 115 to 125 cents per 100 lbs. The *pro rata* divisions of this money are, as your Committee are informed, as follows:

The Michigan Central Railway, 284 miles	18 and 19 cents.
The Grand Trunk Railway, ...861 "	45 " 51 cents.
The Steamship	27 " 30 cents.
	90 and 100 cents.

—18 cents is equal to 6.34 cents per 100 lbs. per 100 miles.
—45 " " 5.22 " " "
—27 " " 25s. sterling per ton, Portland to Liverpool.

The rates quoted at the same dates to shippers from Montreal, and at which engagements were made, showed a wide range, being 85s. per ton (2240 lbs.) for provisions, down to 60s. for dead-weight, the latter being wanted by the carriers as stiffening for the steamers. The *pro rata* divisions of these rates are as follows:

	85s. Maximum.	*60s. Minimum.*
The Grand Trunk Railway 299 miles per 100 lbs.	38 cents.	27 cents.
The Steamship per ton	50s.	35s. 6d.
38 cents is equal to	12.80 cents per 100 lbs.	per 100 miles.
27 " "	9.09 "	" "

From Toronto and stations East of it the rates for provisions were 90s. to 120s. an average of 105s. per ton equal to 114 cents per 100 lbs. through-freight. From stations further West, the rates were 100s. to 130s. for the same class of freight, an average of 115s. per ton or 125 cent. per 100 lbs. The rates of through-freight for provisions from these various points to Liverpool therefore stand as follows:

	Distances to Portland.	
From Chicago,	1,145 miles—	90 cents per 100 lbs.
From Cincinnati,	1,128 " —	80 " "
From Sarnia and Eastward,	861 " —	125 " "
From Toronto and Eastward,	528 " —	114 " "
From Montreal,	297 " —	93 " "

It thus appears that the Chicago producer can not only lay down his provisions in Liverpool over a Canadian line of railway, and by means of a Canadian line of steamers at a freight-charge 25 *per cent.* lower than through his own country, but further, that he can do it for less money than his Canadian competitor in London, Toronto or even Montreal.

When the mileage and the steamers' earnings are considered, the result is still more noteworthy.

The Chicago property is carried by the Grand Trunk Railway a distance of 861 miles, at the rate of	5¼ cents ₩ 100 lbs. ₩ 100 miles.
The Montreal property is charged for 297 miles, at the rate of	12¾ " " "
The Steamships' earnings on the Chicago property, are	25s. per ton.
" " on the Montreal property,	50s. "

The Chicago shipments to Liverpool are thus carried at less than half the rate charged upon shipments from Montreal to the same destination.

There is one branch of the provision trade which American carriers have done their utmost to foster—one which is easily injured, and which is of great value to the country, to wit, the Butter and Cheese trade. Throughout the autumn, the regular steamers from Montreal (and also from New York), sacrificed other classes of freight to give it accommoda-

tion, with the results shown in the foregoing table of exports. What possible reason the Grand Trunk Railway can have for reversing this policy is not apparent to your Committee. The freight bulk is not great, but the money value is proportionately large, and the embarrassment caused by the stoppage of shipping facilities is serious.

Your committee having waited on the Messrs. Allans to remonstrate with them against the small share of freight by the Mail steamers which had been allocated to Montreal shippers, and to complain of the delays and difficulties experienced by them, in getting the necessary cars to load, even that small quantity, were furnished with copies of certain correspondence and protests, bearing upon these points, which had passed between that firm and the Grand Trunk Railway. These documents are appended to this report for the information of the Association.

[The Messrs. Allans also furnished the Committee with a specification of 561 Bills Lading, representing about 17, 280 tons of Liverpool through-freight, of which the following is an analysis:—

Shipped from points in the Western States - - - - - - -	12,490 tons.		
" " competing points in Ontario - - - - - - -	2,255 "		
Total from competing points - - - - -		14,745	
" " non-competing points in Ontario - - - - - -	1,610 tons		
" " Montreal - - - - - - - - - - - - - -	925 "		
Total from non-competing points - - -		2,535	
	Total tons	17,280,	
Of which Canada - - - - - - - - - - - - -	4,790		
" " Western States - - - - - - -	12,490		
		17,280.	

Competing points are those which having two or more railway connections have a choice of routes to the sea-board, as in the case of Chicago, Brantford, London or Paris. The non-competing points are those which, like Montreal, have no outlet other than the Grand Trunk Railway,--which thus well serves those who are already served, and neglects those who are entirely dependent upon it. The proportionate quantity of this freight (seven-fifteenths) due to Montreal Shippers was 8,500 tons, of which quantity they have been allowed by the Grand Trunk Railway to ship 925 tons!]

The causes of complaint under the fourth head are of long standing, and operate adversely year after year with more or less severity, upon the whole export trade of the country. They may be condensed into the statement that the Grand Trunk Railway, which exists by charters from

the Canadian Parliament, which was in part built and continues to be subsidized by Canadian money, is yet so worked as to accommodate and aggrandise the people of the Western States, to the neglect and injury of Canadians. Your Committee would suggest that a strong friendly remonstrance should be addressed to the Railway authorities, setting forth these just causes of complaint, and asking for a reversal of the policy which has hitherto prevailed. Your Committee, however, fear that no great amelioration can be looked for this season,—the stoppage has been too complete, the injury too deep for immediate remedy.

The unsuitability of Portland as the sole winter outlet for Montreal was never more apparent than during the present season. No tonnage seeks employment in that city, nor is the inwards trade of the State of Maine large enough to attract tonnage from abroad. The three first Allan steamers, though of the smaller class, had only partial cargoes inwards, and the fourth, the *Polynesian* now on the way, had to purchase and load 1000 tons of coal for ballast. Your Committee are, therefore, of opinion that Montreal merchants must hereafter look to Boston as an outlet for a large share of their freight, and to this end, should help by every means in their power the completion of the Vermont Central and the Montreal, Portland and Boston roads, thereby securing three outlets to Boston, and two to Portland, in lieu of the present single outlet by the Grand Trunk Railway.

Respectfully submitted by

D. Butters, Chairman,
M. P. Ryan,
William Nivin,
J. T. McMinn,
Edgar Judge,
H. Labelle.

Montreal., December 19, 1873.

APPENDIX.

GRAND TRUNK RAILWAY OF CANADA,
General Freight Agent's Office.
MONTREAL, Nov. 3, 1873.

DEAR SIRS,—Referring to our conversation of Thursday last, I have thought it better to put what I understand to be the substance of it in writing, so as to prevent any misunderstanding, and will you kindly put me right if on reading this letter you find that I have not correctly gathered your meaning?

In the first place, I think I intimated to you, that from present indications we were led to believe there would be a large export business offered to us from the West, and that shipments would likely be large to Liverpool *via* Portland; that if this was to be the case, upon giving you timely notice, I asked if you would be willing to give us carrying capacity for any excess of Boxed Meats or other Western produce which we might be able to bring to Portland, over and above what your regular Mail Steamers could carry, and if you would carry that excess at your present proportions of through rates for traffic from the West for Liverpool.

Second, I mentioned that we would like at the present time, or as soon as possible, if we found that our accommodation at Portland would admit of it, to load one or two sailing vessels with grain from that port, contracted for in Montreal, which we understood could at present be obtained.

To the first I understood you to say that you would not be willing at the present time to say that you would take from us any more freight for Liverpool at Portland than the capacity of your regular Mail Steamers, which in figures we put down at an average of 150 cars for each steamer; and that of these 150 cars, I understood you to say, that you would require to reserve room for at least 70 cars, which you yourselves wished to engage from Montreal. That would, therefore, only leave us 80 cars per week, which we were at liberty to engage from all local stations West, and from the Western States; and that you could not agree to take from us more than this.

In regard to the second, viz. vessels to take Montreal grain from Portland, I understood you to say that you would not agree to bring out any

vessels, as your proportion of any through-rate that could be obtained at present, would not give you sufficient remuneration, as the vessels would have to come out in ballast.

You mentioned also that at the present time you did not wish us to stop contracting Boxed Meats or other produce of that character, but that you did not wish us to make any arrangements from the West for Flour and Grain.

In regard to Flour and Grain from local stations, what am I to understand? Heretofore we have not been restricted, and I have issued the usual instructions, giving agents power to contract from local stations at rates based upon our present divisions in force.

Yours truly,

P. S. Stevenson.

Messrs. H. & A. Allan,
Montreal.

Montreal, November 4, 1873.

P. S. Stevenson, Esq. G. T. R. Co.

Dear Sir,—We have your 27 335 of yesterday's date, referring to the personal interview with our Mr. Allan and Mr. Smith on Thursday last in the matter of traffic *via* Portland, during the ensuing season of winter navigation; naming a few of the more important subjects then under discussion, and reqesting to be informed whether your understanding of our views then expressed is correct.

In regard to Boxed Meats and other produce from the West, which you anticipate will offer for Liverpool, in excess of the carrying capacities of the regular Mail steamers, you are correct in your understanding that at present we are unwilling to undertake to bring extra steamers to Portland for this business.

You were informed that while we would have a large number of the steamers of our fleet lying idle, for which we were anxious to obtain employment, that in the present condition of the import trade, these vessels could not be brought to Portland for the mere conveyance of homeward cargo, without the certainty of incurring large loss on each voyage; and that while we were willing, when practicable, to meet the requirements of your Road, even without prospect of gain, that we were averse to bringing our steamers to Portland, with the absolute certainty of disastrous loss; and that whether extra steamers could be brought to Portland later in the season, would depend, in a great measure, on the business from Britain improving to such an extent, as to hold forth reasonable hope, that the inward earnings of the ves-

sels would be sufficient in amount, to prevent the large loss certain to arise from the small proportion of homeward through-freight accruing to theOcean Carriers. Besides, our experience of two winters ago, of which you may not have knowledge, when at the solicitation of your Company, and on its guarantee that full cargoes would be furnished without delay, we brought extra boats to Portland at large pecuniary loss on each occasion (the direct money loss on a single voyage of one steamer being upwards of $18,000), is sufficient to deter us from bringing out additional ships at the present time, when the import trade is worse than it was then, and when, in every department, the expense of running steamers is greatly increased. From present prospects we are convinced, that during the two first months of the Portland season, the steamers of the regular Mail service will lose largely on each and every voyage; and the prospect that imports, later in the season, will increase to such an extent as to leave even a small margin of profit, is far from being satisfactory.

As regards limiting engagements west of Montreal to about eighty car-loads per week, you are aware, that it has been the custom to reserve about one-half of the capacity of the steamers for the requirements of the trade from this city, and from points on your road East of here; and in requesting you to limit your engagements, to the extent named, we are only acting in conformity with the agreement that has been in existence for some years past.

It is not now, nor has it been, our desire to dictate to your Company, regarding the nature of the cargo, nor the points in Canada or the United States from which your engagements, to the extent of the capacity at your disposal, should be made; but our Mr. Allan, on the occasion of the interview in question, did express an opinion,—at your solicitation, and on the strength of your representation that if the engagements of provisions at Chicago by your agent ceased even for a time, that the trade would seek other channels from which you might find difficulty in diverting it when occasion required,—that in the meantime it might be prudent to continue securing the offerings of provisions at Chicago. At same time you were informed that in his opinion, it was undesirable to make engagements of grain from Oshawa at rates of 14s. 4d. when good prospects existed of securing from here all the grain required for stiffening the early steamers at 12s. 6d. and upwards; or to take Flour at 6s. from the same station, when you anticipated that the provision trade from the West would more than exceed the tonnage at your disposal.

As regards sailing vessels, Mr. Allan intimated that we were at that time in consultation with our Glasgow friends as to employment of the clipper ship *Gleniffer*, then about due in the Clyde, on her homeward voyage from this port; and that if satisfactory assurances could be given

us of the ability of your Company to handle the cargo, and to give the ship accommodation, we might be induced to recommend our correspondents to send that ship to Portland. As you were not in a position to give us information on any of these points, till you had an opportunity of consulting Mr. Porteous when here, and as the ship had to be fixed without loss of time, we were obliged to cable our friends that the fixture of *Gleniffer's* employment must be left with them.

None of the other vessels of our sailing fleet are at present, or are likely soon to be, available for voyages from Britain to America.

We are, dear Sir,
Yours truly,
pro H. & A. ALLAN,
R. A. SMITH.

P.S.—Since writing the above, we have received our despatches by *Circassian*. Our Liverpool agents write: "We fear things will be very bad during the first two months of the Portland season. We expect coal in the holds will be required to ballast the steamers outwards."

MONTREAL, Nov. 7, 1873.

GENTLEMEN,—Please bear in mind that your Mr. Andrew Allan told me not to stop taking Package Freight or Boxed Meats; and I notice that there have now been Bills of Lading issued for some hundred cars, and there will probably be some sixteen to twenty cars for which Bills of Lading have been issued to go *via* Montreal, that will hardly reach here in time.

Now, if you are going to adhere to what you stated, viz., to refuse taking any more Boxed Meats by your Steamers *via* Portland than about eighty car-loads by each steamer, and reserving the balance to be sent from here, contracted by you, then we shall have a block, or I shall have to give immediate instructions to stop taking any more freight *via* Portland.

I beg you will reconsider your decision in regard to the *Gleniffer*, as by loading the *Gleniffer* with Grain contracted here by you, it would relieve your steamers at Portland, and give more room for Package Freight.

I should feel obliged by an early reply, as from our limited accommodation at Portland we must prevent any accumulation.

Yours truly,
P. S. STEVENSON.

Messrs. H. & A. ALLAN,
Montreal.

P.S.—I would like to communicate with Mr. Brydges on this subject to-day; I will therefore feel obliged by a reply if convenient, or I would be happy to have an interview with you on the subject before doing so, or directing our Agents to withdraw from the market. I will not be at the office this afternoon, but will be disengaged any time at my house.

P. S. S.

MONTREAL, November 7, 1873.

P. S. STEVENSON, Esq.,
G. T. R. Co.,

DEAR SIR,—We have your note of this morning.

In asking us to reduce the capacity reserved for our engagements from hence, you seem to have lost sight of the fact that from 25,000 to 40,000 bushels of grain is required by each steamer for stiffening purposes. This is an average of thirty-five cars per week for conveyance of the dead-weight actually required to make the ships safe for sea.

The balance of the tonnage retained by us is needed to meet the wants of the provision trade of this city.

Another fact, of which you apparently lose sight, is that cargo from here will net the ships more than double the freight you give us on Western provisions.

It is not in our province to instruct you in the regulation of your Chicago traffic, and we decline assuming any responsibility in the matter.

Taking grain freight from hence for the *Gleniffer* at Boston would not place additional capacity by the Portland steamers at your disposal. As already explained, the dead-weight is required by our steamers for stiffening purposes, and we are not contracting for grain because there is pressure on us to provide conveyance for produce of that description.

Yours truly,

pro H. & A. ALLAN,
R. A. SMITH.

NOTIFICATION, REQUISITION AND PROTEST AT THE REQUEST OF THE OWNERS OF THE ALLAN LINE OF STEAMSHIPS TO AND VS. THE GRAND TRUNK RAILWAY COMPANY OF CANADA.

On this Eleventh day of the month of December, in the year of Our Lord One thousand eight hundred and seventy-three, I, the undersigned Notary Public for the Province of Quebec, in the Dominion of Canada, residing at the City of Montreal, in the said Province, at the request of the owners of the line of steamers known as the Allan Line, sometimes called and known as The Montreal Ocean Steamship Company herein represented and acting by the firm of H. & A. Allan, the agents of the said line of steamers at Montreal aforesaid, personally went to the office of the Grand Trunk Railway Company of Canada, at Point St. Charles in the said City of Montreal, where, being and speaking to William Wainwright, Esq., Private Secretary of Charles John Brydges, Esq., the Managing Director of the said Company, and by and through the said William Wainwright to the Grand Trunk Railway of Canada, I declared as follows, to wit:—

Whereas the said owners of the said Allan Line of steamers, hereinafter called the Steamship Company, have been in the habit of running one of their steamers every week during winter between Portland in the United States, and Liverpool in England, carrying freight from Portland aforesaid to Liverpool aforesaid;

And whereas, on the third, fourth and fifth days of November last past negotiations were proceeding between the said Steamship Company and the Grand Trunk Railway Company of Canada (hereinafter called the Railway Company), for the purpose of deciding upon the extent of facilities for the transport of freight which the Steamship Company, would be able to furnish during the present month and the remainder of the present winter, which negotiations resulted in an understanding and agreement between the said two Companies that the said Steamship Company would receive from the said Railway Company at Portland aforesaid for transport to Liverpool aforesaid, freight not exceeding one hundred and fifty car-loads per week: whereof the said Railway Company should have the right and privilege of booking eighty car-loads at such points West of Montreal as they might think proper, and whereof the Steamship Company should have the privilege of loading seventy cars at Montreal and at such points East of Montreal as they might think proper;

And it was then distinctly understood between the said parties, that the said Steamship Company would not have, provide, or furnish any other or

further accommodation for the carriage of freight from Portland, than the said quantity of one hundred and fifty car-loads per week, to be obtained in the proportions above mentioned by the said Companies respectively.

That the practice which has hitherto existed between the said two Companies with respect to through-freight has been for them respectively to sign Bills of Lading undertaking for the conveyance of such quantity of goods to Liverpool *via* the Grand Trunk Railway to Portland and *via* the said Steamships to Liverpool, as might be agreed upon, and that in consequence of the said hereinbefore first mentioned understanding and agreement, and in conformity with the said practice, the said Railway Company was justified in signing Bills of Lading for freight to be received at points West of Montreal to the extent of eighty car-loads per week from the point of shipment to Liverpool in England, by way of the said Railway to Portland, and by way of the said steamships from Portland to Liverpool aforesaid;

And, whereas, notwithstanding the said agreement and understanding between the said two Companies, the said Railway Company has continued ever since the said fifth of November last to book and receive for shipment at points West of Montreal, large quantities of goods and freight greatly exceeding the quantity of eighty car-loads per week; in fact amounting in some weeks to five or six times that quantity, by reason of which the said Railway Company have delivered at Portland aforesaid for shipment by the said Steamers under the said Bills of Lading a very much larger quantity of freight than it is possible for the said Steamship Company to carry away from Portland aforesaid during the next two months;

And that all the said shipments were so made under Bills of Lading, which the said Railway Company assumed to sign undertaking for the conveyance of the said freight by way of the said Steamship Company's steamships to Liverpool aforesaid;

And, whereas, by reason of the signing of such Bills of Lading for a larger amount of freight than the said Railway Company was authorized to do by the said arrangement, the freight carried to Portland by the said Railway Company from points West of Montreal for shipment by the said Steamers in excess of the eighty car-loads per week will of necessity be retained at Portland for a greater or less period of time, and in fact cannot be removed from Portland faster than was so agreed as aforesaid, by reason whereof the shippers of the said freight may sustain loss and damage not only by the delay thereof at Portland aforesaid, by the deterioration of the goods composing such freight, by the change of the market value thereof, or by breaches of contract in respect of the goods composing such freight or otherwise, but also by the confusion and mixture of different lots of the same class of goods which will probably take place at Portland afore-

said in consequence of the glut of freight caused by the said excessive shipments, for all which the said Railway Company are alone liable, and the said Steamship Company will hold the said Railway Company liable in the event of their being called upon as a terminal carrier to pay for the same;

And, whereas, the agent of the said Railway Company at Portland has without authorization taken upon himself to notify the said Steamship Company there, that the said freight so arrived and arriving at Portland aforesaid remains there at the risk of the said Steamship Company, whereas in fact the said Steamship Company has no control thereof, or responsibility of any kind in respect thereof;

And, whereas, relying upon the said agreement the said Steamship Company have made contracts for the carrying of freight equal to seventy car-loads per week from Montreal aforesaid, and from points East of Montreal to Liverpool aforesaid, but that the said Railway Company has not furnished the rolling stock necessary to carry the said seventy car-loads of freight which the said Steamship Company were by the said agreement authorized to ship from Montreal and from points East of Montreal, and which, or portions of which, the said Steamship Company had contracted with persons at Montreal and East of Montreal to forward to Liverpool aforesaid by way of the said Railway to Portland, and the said Steamship Company may therefore become responsible to the persons with whom they have so contracted for damages for the non-fulfilment of their said contracts, for which damages also the said Railway Company are liable.

And, whereas, by carrying out the arrangement so agreed upon between the said Companies; namely, that the said Steamship Company should have the right to engage freight to the extent of seventy car-loads per week from Montreal and points East of Montreal, said Steamship Company would make larger profits by carrying such freight as should be shipped at the last mentioned points than by carrying through-freight from points West of Montreal by reason of the difference in the Steamship charges upon such different classes of freight respectively, and the said Steamship Company will therefore themselves sustain a heavy loss in consequence of being unable to forward freight so contracted for by their vessels, and of being obliged to load their vessels entirely with Western freight at a lower rate of remuneration to themselves, for which loss also they intend to hold the said Railway Company liable;

And, whereas, in fact notwithstanding that the said Steamship Company have repeatedly notified the said Railway Company of the inconvenience, loss and damage which they are occasioning by their aforesaid acts, and have repeatedly warned them of the consequences thereof, and have repeatedly notified them to cease signing Bills of Lading for freight

to be carried by their Steamships beyond the said amount of eighty car-loads per week, and although the said Railway Company promised to stop all further shipments for the present, yet, notwithstanding such warning, notices, and promise, the said Railway Company still continue to sign Bills of Lading for freight by the said Steamers, thereby exposing the said Steamship Company to further reclamations for damages, and still further impeding and preventing shipments from Montreal and points East;

Now therefore, I, the said Notary, at the request aforesaid, and speaking as aforesaid, do formally hereby notify the said Railway Company of all and every the premises, and do solemnly protest against the said Railway Company, and declare to hold the said Railway Company liable by all such ways and means as the said Steamship Company may lawfully take:—

First, for all loss and damage caused to the Steamship Company, or which may fall upon the said Steamship Company, either on this continent or in Europe, by reason of any delay which has occurred, or may occur, at Portland aforesaid, in the shipment by sea, in accordance with the said Bills of Lading, of the freight so carried to Portland aforesaid, by the said Railway Company, in excess of the said quantity of eighty car-loads per week, and for all costs, charges, losses or injuries which the said Steamship Company may hereafter sustain in any form or way, or under any process of any kind or description whatever, by reason thereof;

Second, against the said notification of the said Railway Company by their Agent at Portland, that the freight carried to that point remains there at the risk of the said Steamship Company. The said Steamship Company hereby declare that they do not assume, and are not bound to assume, any risk whatever, in respect of the said freight;

Third, for all costs, losses, liability or damage, which the said Steamship Company may suffer, submit to, or sustain, in respect of their contracts at Montreal aforesaid, and at points East of Montreal, for the transmission of freight from these points to Portland aforesaid, to the extent of seventy car-loads per week;

Fourth, for the difference in freight-charges which would accrue to the said Steamship Company upon the carriage of freight from Montreal, and points East of Montreal, from Portland aforesaid to Liverpool aforesaid, over and above the remuneration they will receive for the carriage of through or Western freight from Portland aforesaid to Liverpool aforesaid, under the Bills of Lading issued by the said Railway Company at points West of Montreal;

Fifth, the said Steamship Company hereby finally notify and inform the said Railway Company, that for their protection in respect of all the aforesaid claims, matters and things, losses, damages and injuries, they

will hold the said Railway Company responsible directly to them, and will wage every recourse against the said Railway Company for the recovery of any amount in which they may be damnified or injured, in such manner or way as they may be advised, hereby further notifying the said Railway Company to take at their own risk and expense, such steps as they may deem expedient to notify the shippers of freight in excess of the said eighty car-loads per week, of the delay which must necessarily result from the said excessive shipments, in the transmission of such freight to England, and also to protect such freight, at Portland aforesaid, from all the risks and perils to which it will be there exposed while awaiting shipment by sea;

Hereby further requiring the said Railway Company forthwith to furnish to the said Steamship Company, a quantity of cars sufficient to complete the quantity of seventy cars per week, for the conveyance of freight contracted for by the said Steamship Company from Montreal and points East, and to forward the same to Portland aforesaid, in accordance with the said understanding and agreement;

And to the end that the said Grand Trunk Railway Company of Canada may not have cause to plead ignorance in the premises, I have served them with a certified copy of these presents, speaking as aforesaid, these presents remaining of record in the office of W. A. Phillips, the undersigned Notary, under the number Six thousand nine hundred and twenty-nine.

In test. veritatis,

W. A. PHILLIPS, N. P.

NOTIFICATION AND PROTEST AT THE REQUEST OF THE GRAND TRUNK RAILWAY COMPANY OF CANADA, AGAINST THE OWNERS OF THE "ALLAN LINE" OF STEAMSHIPS.

On the Thirteenth day of the month of December, in the year of Our Lord One thousand eight hundred and seventy-three, at the request of the Grand Trunk Railway Company of Canada, a body politic and corporate, and having its principal place of business in the said city of Montreal, I James Stuart Hunter, the undersigned Notary Public, duly commissioned and sworn in and for that part of Canada heretofore constituting the Province of Lower Canada, now the Province of Quebec, residing in the City of Montreal, in the said Province, personally went to the office in the said City of Montreal of the owners of the line of steamers known as the Allan Line, sometimes called and known as "The Montreal Ocean Steamship Company"

and represented and acting by the firm of H. & A. Allan, the agents of the said owners of said line of steamers at Montreal aforesaid, where being and speaking to Robert A. Smith, Esquire,

I declared that whereas by notification, requisition, and protest served at the request of the said owners of said steamships to and *vs.* the said Grand Trunk Railway Company of Canada, by and through the ministry of W. A. Phillips, Notary Public, on the eleventh day of December instant, the said Steamship Company allege, amongst other things, that certain negotiations therein mentioned "resulted in an understanding and agree-"ment between the said two Companies, that the said Steamship Company "would receive from the said Railway Company at Portland aforesaid, for "transport to Liverpool aforesaid, freight not exceeding one hundred and "fifty car-loads per week, whereof the said Railway Company should "have the right and privilege of booking eighty car-loads at such points "west of Montreal as they might think proper."

And, further, the said Steamship Company, in and by their said declaration and protest, allege as follows:

"And it was then distinctly understood between the said parties that "the said Steamship Company would not have, provide, or furnish any "other or further accommodation for the carriage of freight from Port-"land, than the said quantity of one hundred and fifty car-loads per week, "to be obtained in the proportions above mentioned by the said Com-"panies respectively."

Which said above recited allegations, the said Grand Trunk Railway Company of Canada specially deny; and they, moreover, positively and emphatically deny the truth of the assertions and the allegations generally set forth and contained in said protest, and which they the said Railway Company unhesitatingly declare to be untrue and unfounded in fact; and the said Railway Company declare that no such agreement as pretended in said notification, requisition and protest, was ever entered into between the said Steamship Company and said Railway Company, and more especially the said Grand Trunk Railway Company deny that they ever agreed that the said Steamship Company would not have, provide or furnish any other or further accommodation for the carriage of freight from Portland aforesaid, to wit, Portland in the State of Maine, than the quantity of one hundred and fifty car-loads per week, in the proportions in said notification, requisition and protest set forth, and as therein falsely alleged. And the said Railway Company further declare that in some former years there has been as much Grand Trunk Railway freight at Portland for shipment by said Steamship Company as at present, without any demand, protest or complaint by said Steamship Company against said Railway Company; and moreover the said Grand Trunk Railway Co.

allege that the said Steamship Company are not this season employing their steamships of larger tonnage, but on the contrary their steamships of smaller tonnage; as an instance their steamship *North American* which is now due at the Port of Portland aforesaid. And, in fact, the said Steamship Company have a large number of steamships lying idle and unemployed at Glasgow in Scotland, and at Liverpool in England, which might be used in the transport of said freight, and which the said Steamship Company neglect and refuse to use and employ for the accommodation of shippers of goods from Portland, and the trade generally; thereby, shewing their disinclination to accommodate and facilitate the transaction of business, in the interests of the commercial community and the public generally.

And the said Railway Company also declare and assert that the service upon them, the said Railway Company, of said notification, requisition and protest by the said Steamship Company, was, and is, purposely vexatious and intended to annoy said Railway Company, and with the view to screen the said Steamship Company from blame for shortcomings, and delinquencies on their part, and specially their neglect in not providing sufficient accommodation by their steamships, for the carriage of the freight brought to Portland, in the customary way, by the said Railway Company; owing to which neglect on the part of the said Steamship Company, the alleged great accumulation of freight at Portland aforesaid, of which they pretend to complain by their said protest, has taken place.

Wherefore the said Grand Trunk Railway Company of Canada, speaking as aforesaid, hereby declare that all loss, damage, liability, detention, mingling of freight, difference of freight and protection of the same at Portland aforesaid, and all losses whatsoever arising from the causes and reasons aforesaid, shall be borne by the said Steamship Company, the same having arisen by reason of their neglect and refusal to remove the said freight accumulated at Portland as they are bound to do, and for which the said Railway Company declare the said Steamship Company to be alone responsible.

I, the said Notary, at the request aforesaid, and speaking as aforesaid, have protested, and by these presents do most solemnly protest against the said Steamship Company, and all others whom the same doth, shall, or may in any way concern, for all costs, losses, damages, detriment, injury and hurts already suffered, and which may be hereafter in any way suffered, and for all and whatsoever else may or ought to be protested for or against, for and in consequence of the premises and for all and every, the causes and reasons above mentioned or incidental thereto.

And I have served a copy hereof upon the said Steamship Company, and the owners thereof, through their said agents, speaking as aforesaid.

Thus done and protested at the City of Montreal, at the place, and on the day, month and year first above written, these presents bearing the number nineteen thousand one hundred and twenty-seven of the original deeds of record in the office of the said Notary being first duly read, and I have signed in testimony of the premises.

J. S. HUNTER, N.P.

MONTREAL, 18th December, 1873.

C. J. BRYDGES, Esq.,

Managing Director Grand Trunk Railway.

DEAR SIR,

On the 11th instant we caused a notification and protest to be served on your Company, in order to protect the interests which we represent as Agents of the Allan Line, from the consequences, likely to arise, from engagements on the part of your Agents in Western Canada, and the Western States, for the conveyance of provisions, and other goods, on through bills of lading to Liverpool, in excess of the capacity placed at your disposal, by the Steamers of our Mail Line from Portland.

On the 13th instant, a counter protest was served on us at your instance in which the statements of fact, made in our notification, are denied in such strong language, as, we think, requires us to call your attention to the precise facts on which these statements are made.

In your counter protest you "positively and emphatically deny the "truth" of the following allegations, contained in our protest, viz :—

"That certain negotiations therein mentioned, resulted in an under- "standing and agreement, between the said two Companies, that the said "Steamship Company would receive from the said Railway Company, at "Portland aforesaid, for transport to Liverpool aforesaid, freight not ex- "ceeding one hundred and fifty car-loads per week; whereof the said "Railway Company should have the right and privilege of booking eighty "car-loads at such points West of Montreal as they might think proper, "and whereof the Steamship Company should have the privilege of load- "ing seventy car-loads at Montreal, and at such points East of Montreal, "as they might think proper."

And further—"that it was then distinctly understood between the said "parties that the said Steamship Company would not have, provide, or "furnish any other or further accommodation, for the carriage of freight "from Portland, than the said quantity of one hundred and fifty car-loads "per week, to be obtained in the proportions above mentioned by the said "Companies respectively."

You further declare:—

" That no such agreement as represented in said notification, requisi-
" tion, and protest was ever entered into between the said Steamship Com-
" pany and said Railway Company; and more especially, the said Grand
" Trunk Railway Company deny that they ever agreed that the said
" Steamship Company would not have, provide, or furnish any other or
" further accommodation for the carriage of freight from Portland afore-
" said, to wit, Portland in the State of Maine, than the quantity of one
" hundred and fifty car-loads per week in the proportions in said noti-
" fication."

In support of the truthfulness of our allegations, and the consequent absence of foundation for your positive denials, we will confine ourselves for proof to the letters which passed between Mr. P. S. Stevenson, the General Freight Manager of your Company, and ourselves, in the early part of November.

The parts in this correspondence to which we would particularly call your attention have been italicized by us.

In his communication under date of 3rd November, referring to an interview had with our Mr. Allan and Mr. Smith on the previous Thursday, with reference to capacity of freight from Portland, during the then ensuing season of winter navigation, Mr. Stevens on writes:—

" Referring to our conversation of Thursday last, I have thought it
" better to put what I understand to be the substance of it in writing so as
" to prevent any misunderstanding, and will you kindly put me right, if, on
" reading this letter, you find that I have not correctly gathered
" your meaning. In the first place, I think I intimated to you that there
" would be a large export business offered to us from the West, and that
" shipments would likely be large to Liverpool *via* Portland;—that if this
" was to be the case, upon giving you timely notice, I asked if you would
" be willing to give us carrying capacity for any excess of Boxed Meats,
" or other Western produce, which we might be able to bring to Portland,
" over and above what your regular Mail Steamers could carry, and if
" you would carry that excess at your present proportions of through rates
" for traffic from the West for Liverpool."

To this, " I understood you to say that, you would not be willing, at
" the present time, to say that you would take from us any more freight
" for Liverpool at Portland than the *capacity of your regular Mail Steam-*
" *ers*, which, in figures, we put down at an average of 150 cars for each
" steamer; and that of these 150 cars, I understood you to say, that you would
" require to reserve room for at least 70 cars which you yourselves wished
" to engage from Montreal. *That, therefore, would only leave us* 80 *cars*
" ***per week which we were at liberty to engage from all local stations***

" *West and from the Western States; and that you could not agree to* " *take from us more than this.* I also understood you to say that, *you* " *would not agree to bring out any vessels*, as your proportion of any " through-rate that could be obtained at present, would not give you " sufficient remuneration, *as the vessels would have to come out in ballast*".

On the 7th November, Mr. Stevenson again wrote.—" If you are " going to adhere to what you stated, viz., to refuse taking any more " Boxed Meats, by your Steamers *via* Portland, than *about* 80 *car-loads* " *by each Steamer, and reserving the balance to be sent from here,* " *contracted by you, then we shall have a block, or I shall have to give* " *immediate instructions to stop taking any more freight via Port-* " *land.*" I beg you will reconsider your decision in regard to the *Gleniffer*, as by loading the *Gleniffer* with grain contracted here by you, it " would relieve your Steamers at Portland, and give more room for pack- " age freight."

To Mr. Stevenson's first communication, we replied on the 4th November :—

" In regard to Boxed Meats and other produce from the West, which " you anticipate will offer for Liverpool, in excess of the carrying capa- " cities of the regular Mail Steamers, *you are correct in your understand-* " *ing that, at present, we are unwilling to undertake to bring* " *extra Steamers to Portland for this business.*" And as regards " limiting engagements West of Montreal to *about* 80 *car-loads per* " *week*, you are aware that it has been the custom to reserve about *one-* " *half of the capacity of the Steamers for the requirements of the trade* " *from this City, and from points on your Road East of here;* and " in requesting you to limit your engagements to the extent named, we " are only acting in conformity with the agreement that has been in ex- " istence or some years past."

To Mr. Stevenson's last communication we replied on the 7th November :—

" In asking us to reduce the capacity reserved for our engagements " from hence, you seem to have lost sigh of the fact, that, from 25000 to " 40000 bushels grain is required by each steamer for stiffening pur- " poses. This is an average of 35 cars per week, for conveyance of the dead- " weight actually required to make the ships safe for sea."

" The balance of the tonnage retained by us, *is needed to meet the* " *wants of the provision trade of this City.*"

" Another fact, of which you apparently lose sight, is that cargo from " here *will nett the ships more than double the freight you give us on* " *Western provisions.*

" *It is not in our province to instruct you in the regulation of your* " *Chicago traffic, and we decline assuming any responsibility in the* " *matter.*"

" Taking grain freight from hence for the *Gleniffer* at Boston, " would not place additional capacity by the Portland Steamers at your " disposal. As already explained, the dead-weight is required by our " steamers for stiffening purposes; and we are not contracting for grain " because there is pressure on us to provide conveyance for produce of " that description."

That you were personally aware of the position of affairs, and that the communications between your General Freight Manager and ourselves, had come under your knowledge, cannot be denied, as we hold your letter, under date of 22nd November, in which you say:—

" Mr. Stevenson has sent me a copy of the correspondence he has " had with you, with reference to *capacity of freight from Portland for* " *the coming season.*

" *I am sorry you decline to give us the capacity at Portland that we* " *require.*"

" I can easily load, if I have the vessels there, two ships a week from " Chicago alone; but, of course, *as you decline to give us the accommo-* " *dation that we want, I can only take the necessary steps to obtain it* " *in other quarters.*"

" We are sending down now *more freight than your steamers will* " *take away;* but, of course, it must be quite understood, that *as you de-* " *cline to meet our wants, we are at liberty to make such arrangements* " *as we please*, and if, later in the season, your vessels fall short of freight, " it will be simply your own fault and not ours."

These excerpts from the correspondence which has passed between your Company and ourselves, sufficiently prove that the allegations in our protest, to which you take exception and which you " unhesitatingly " declare to be untrue and unfounded in fact," are on the contrary strictly and absolutely correct.

In your protest, it is further declared:—

" That in some former years, there has been as much Grand Trunk " Railway freight at Portland, for shipment by said Steamship Company, " as at present, without any demand, protest and complaint, against said " Railway Company."

In so far as the quantity of freight actually lying at Portland is concerned, we will not question the accuracy of this statement; but we do not hesitate to say, and the records in our office can prove the correctness of our assertion, that, taking into consideration the accumulations at this station, the quantity of cargo, which for lack of storage accommodation

at Portland, has, in meantime, been discharged at way-stations East of Island Pond; and the provisions and other goods *en route* from the Western States and Western Canada to the sea-board,—these shipments, in the aggregate, more than quadruple the engagements made in any previous year, during the same period, and this, irrespective of cargo contracted for by the agents of your Company, but which has not yet been shipped, and for which bills lading have not been granted.

In your protest you also declare:—

"The said Steamship Company have a large number of steamships "lying idle and unemployed at Glasgow in Scotland, and at Liverpool "in England, which might be used in the transport of said freight, and "which the said Steamship Company neglect and refuse to use and em- "ploy, for the accommodation of shippers of goods from Portland and "the trade generally; thereby showing their disinclination to accommo- "date and facilitate the transaction of business, and the interest of the "commercial community and the public generally."

To persons not conversant with shipping business, it might appear that with the large offerings of homeward cargo at present available at Portland, our Steamships could be profitably employed in the trade between Liverpool and that port; and from the tenor of the last extract from your protest, this would appear to be your opinion as well.

A few facts may satisfy you regarding the fallacy of such reasoning.

The *Polynesian*, which sailed from Liverpool on Thursday last as the Mail Steamer for Portland brings out *One thousand tons of coals as ballast*, without which, in consequence of the light offerings of cargo for Portland, she would not have been in a safe condition to send to sea. The bulk of this steamer's return cargo must necessarily consist of provisions and other goods from the Western States, carried at 90c. to $1 per 100 lbs. through from Chicago to Liverpool, out of which rates, but 30 per cent. or from 24s. 10d. to 27s. 8d. sterling per ton accrues to the Ocean Carrier, while at same time the steamers of the Cunard Line from Boston and the steamships of the regular lines from New York are obtaining minimum rates of 55s. sterling on all through Western provisions, and 60s. sterling on local shipments.

As a consequence, although a subsidized Mail Steamer, with earnings from passengers on both the inward and homeward trips, we look for a loss of at least £3,000 sterling, or $15,000, on the round voyage.

Had the *Polynesian* been brought out as an extra boat, entirely in ballast, to assist in relieving the accumulation at Portland, and to "facilitate the transaction of business," the loss on the voyage would exceed £5,000 sterling, or $25,000. Being our own underwriters, we have not taken the cost of insurance into these calculations; nor has any allow-

ance been made for wear-and-tear. The *Polynesian* is our largest carrier and best earner, but her expenses in commission do not exceed those of the majority of the steamers employed in our Portland trade.

Apart from the contract steamers, which we are obliged to run weekly between Portland and Liverpool, for conveyance of mails and passengers, we do not consider ourselves bound to run steamers at a loss, to meet the "interests of the commercial community and the public "generally," in any greater degree than the importers and exporters of the Dominion hold themselves bound to exclusively patronize the steamers of the Allan Line.

That we were willing, however, to make large sacrifices to meet the requirements of trade and your Road, is sufficiently evidenced by the fact that *all our extra Steamers* were tendered to your Company, through Mr. Stevenson, in the early part of November, for service between Portland and Liverpool, *free of any charge whatever either for hire, interest on capital employed, or for sea risk*,—the only stipulation being that while your Company would have the exclusive benefit of the gross earnings of these Steamers, it should only pay us the actual costs *and expense of running the ships, viz., wages, provisions, coals and port-charges.* This offer made by us, and refused by your General Freight Manager, is a sufficient reply to your last declaration.

We are aware you have always contended that your Road could carry to Portland greater quantities of cargo than one steamer per week could take away. Whether with the recent change of gauge, your abilities in this respect are greater than heretofore, we do not pretend to say; but we do assert, and we are prepared to prove our statement by figures if necessary, that, while in the months of December and the early part of January, when Western provisions are offering freely and the line is clear and unobstructed, your Road can carry to the sea-board, cargo in excess of the requirements of a weekly line, yet, during the many years our steamers have sailed from Portland, the total of your deliveries during any season has never equalled the aggregate of the carrying capacity of the mail steamers alone.

There is but one other point to which we would refer in this letter, and that is, that had you confined yourself to accommodating the Canadian trade, instead of neglecting both the local and the through business of the Dominion, in order to enter into competition with the New York lines, at low rates, for the provision traffic of the Western States, our Mail steamers would have more than sufficed to meet the needs of the country. The returns in our office show that up till this date, out of 1885 carloads of provisions and goods billed by our Steamers, 1304 car-loads are

from the Western States, while only 449 car-loads are from Western Canada, and but 132 car-loads from this City and stations East.

We can have no reason to object to your putting such construction as you may feel justified in doing upon our correspondence with you, and particularly, whether or no, it did not result in a complete understanding between us, as to the quantity of freight we could take at Portland, and as to the proportions in which it was to be procured by the Railway Company and by ourselves. We believe we interpret that correspondence correctly, and that the transport of an overwhelming quantity of freight to Portland, with the knowledge that, as far as any provision had been made for its carriage to Liverpool, the bulk of it must remain there for months, was an injudicious measure which we disapproved of, had done our best to prevent, and the responsibility for which we were unwilling to share. But we must distinctly protest against the unwarranted and unbusinesslike imputations as to motives, which you have thought fit to include in the Company's protest. When the protest states that our notification to you, that we would not be responsible for the consequences of the improper accumulation of freight at Portland, was "purposely vexa-"tious and intended to annoy the said Railway Company," it makes a statement which we must characterize as being entirely unfounded. The tenor of the protest itself is sufficient to prove this, for its contents go no further than was necessary to show, that we had tried to prevent the block, and were not responsible for it.

As to the further pretension that we gave the notification "to screen our Company from blame for shortcomings and delinquencies" on our part, and "specially for neglect, in not providing steamship accommoda-"tion for the freight brought to Portland," it is simply ridiculous. We run a weekly line to and from Portland and we never professed or pretended, nor do we know that any one expected us, to do more. We never, certainly, were under any obligation to do more, nor ever held out any expectations that we would. On the contrary, we took the earliest opportunity for reminding your Company of our position, and of the danger of the difficulty which is now felt. Surely no one can pretend that we were in duty bound to run steamers, outside of our regular engagements, at a direct and heavy loss to ourselves. If such a duty devolves upon any one, it is upon your Company, which has been the sole means of producing the crisis of which the public complains, and we have afforded you the opportunity of relieving the commercial community from the trouble you have brought upon it, by offering you our steamers at cost. If any one is to suffer for carrying the freight through, it should be your Company, which is to be supposed to be able to recoup itself, to some extent,

by its carriage to Portland, especially as you have carried it there with the full knowledge of the consequences.

If motives were to be dragged into this discussion, you must be aware that motives for this rush of freight to the sea-board, are imputed to your Company, which are not more creditable, and perhaps no better founded in truth, than those your Company imputes to us. But we do not intend, on our part, to conduct this controversy on such a basis. We distinctly and positively disclaim any hostile feeling to your Company. We only desire to protect ourselves from claims and losses, which we think we should not be subjected to; and if we are wrong in our views as to that point, we would prefer to differ with your Company without entering into recriminatory charges of a personal character.

We are, dear Sir,

Yours faithfully,

H. & A. ALLAN.